



The California Debt and Investment Advisory Commission
At
The California Special District Annual Conference
Presents

**MUNICIPAL SECURITIES DISCLOSURE REQUIREMENTS:
THE STORY YOUR DISTRICT IS REQUIRED TO TELL**

October 3, 2007

With

Moderator:

***John Decker, Executive Director, California Debt and Investment
Advisory Commission***

Speakers:

***Brian Thomas, Assistant General Manager/Chief Financial Officer,
The Metropolitan Water District of Southern California***

Steve Spitz, Partner, Orrick, Herrington & Sutcliffe LLP

[Telling the District's Story]

- Responsibility
- Opportunity



[Disclosure Obligations/Strategies]

- Primary offering disclosure
- Ongoing communication with the market



[Securities Law Requirements]

- Municipal securities are not subject to registration requirements
- Municipal securities are subject to antifraud rules
- Reasons to not violate securities laws
 - Civil and criminal penalties
 - Private suit for damages
 - Negative publicity
 - Anguish



Telling the District's Story in a Public Offering

- Putting together a team
 - Internal resources
 - Expert professionals – bond counsel, disclosure counsel, financial advisors, underwriters, accountants and engineers



Telling the District's Story in a Public Offering

- Working with the market
 - Rating agencies
 - Credit providers
 - Investors
- Using technology



[The District's Official Statement]

- Official Statement is required unless debt privately placed
- Official Statement is required to describe the District, its operations and its financial prospects unless debt is variable rate with liquidity and credit support
- Official Statement must disclose what a reasonable investor would want to know in order to make an informed investment decision
- Official Statement must not contain material misstatements or omissions

[The Official Statement Preparation Process]

- Official Statement is the District's Official Statement
- Managing internal resources
- Managing expert professionals
- Use of technology



[Board of Directors' Responsibilities]

- Make sure there is a good process
- Make sure District is assisted by expert professionals
- Review portions of Official Statement about which board members have actual knowledge
- Bring concerns to staff's attention



[Ongoing Disclosure]

- Continuing disclosure undertaking
 - Annual report
 - Material events
- Investor relations
- Use of technology



[Thank You]

- Questions
- Evaluation

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